

Appendix 1 - Consultation Responses and Questions

1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below.

1.3. If you have any questions on this document please contact:

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1.4. Responses should be sent, preferably by e-mail by 21 March 2014 to the address above.

1.5. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

1.6. Respondents who wish to have their responses kept confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. Respondents are asked to put any confidential material in the appendices to their responses.

1.7. Next steps: Having considered the responses to this consultation, we intend to publish our decision in relation to ENWL's Competition Notice in April 2014.

Each of the questions asked by this consultation is set out in the template below. **Note that an editable version of this response template is available on our website as an associated document to this consultation.** If you do not wish to use our response template, please ensure that you indicate the RMS and DSA to which your experiences relate.

When considering your responses to these questions, please consider your experiences, the actions that ENWL has undertaken and the actions that you consider it could reasonably undertake.

When answering the questions below, please check the RMS(s) that are relevant to your response.

Chapter Two

Question	RMS(s)	Response
<p>One: Are customers aware that competitive alternatives exist?</p>	<p>Metered Demand <input type="checkbox"/></p> <p>LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS’s</p> <p>All the major players are aware of the competitive alternatives. Some small builders do not know</p>
<p>Two: Do customers have effective choice (ie are customers easily able to seek alternative quotations)?</p>	<p>Metered Demand <input type="checkbox"/></p> <p>LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS’s</p> <p>Yes customers usually obtain several quotations</p>
<p>Three: Does ENWL take appropriate measures to ensure that customers are aware of the competitive alternatives available to them?</p>	<p>Metered Demand <input type="checkbox"/></p> <p>LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS’s</p> <p>Yes ENW identify on their WEB site which aspects of the work are competitive and which are not</p>

Question	RMS(s)	Response
Four: Are quotations provided by ENWL clear and transparent? Do they enable customers to make informed decisions whether to accept or reject a quote?	Metered Demand LV <input type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	All RMS's All POC quotations are clear. It is the ICP quotation[s] compared to the DNO quotation that enables the customer to decide to accept a quote
Five: Have customers benefitted from competition? Have they seen improvements in ENWL's price or service quality or have they been able to source a superior service or better price from ENWL's competitors?	Metered Demand LV <input type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	All RMS's ICP's are able to give better prices than ENWL due to being able to get asset values for the assets they install for INDO's. Customers have therefore benefited. ENWL's price for the competitive elements of the work do not gain that benefit. The multi utility concept used by Aptus greatly benefits the builders

Chapter Three

Question	RMS(S)	Response
One: Does the level of competitive activity in the RMSs show that there is the potential for further competition to develop?	Metered Demand LV <input type="checkbox"/> DG LV <input type="checkbox"/> Unmetered (Other) <input type="checkbox"/>	All RMS's Scope for further builders to embrace the ICP approach where they are not aware it exists Street Lighting in ENWL seems to be all competitive now in our experience
Two: Consider the organisational structure of ENWL's business and its procedures and processes – (a) how do they compare to	Metered Demand LV <input type="checkbox"/> DG LV <input type="checkbox"/> Unmetered <input type="checkbox"/>	All RMS's ENWL represents best practice compared to other DNO's

Question	RMS(S)	Response
<p>those you encounter elsewhere in the gas and electricity markets or other industries? Do they reflect best practice?</p> <p>(b) do they enable competitors to compete with the timescales for connection (from quote to energisation) offered by ENWL? Or do they offer ENWL any inherent advantage over its competitors or prevent existing competitors from competing with them effectively?</p> <p>(c) do they assist, obstruct or delay connections providers entering the RMSs?</p>	(Other)	<p>No issues with timescales for ENWL interfaces</p> <p>ENWL is very co-operative and usually enables timescales for connections to be made. Only exception is where legal consents are required – ENWL can be slow in getting legal consents.</p>
<p>Three: Are the non-contestable charges levied by ENWL for statutory connections in the RMSs consistent with those levied for competitive quotations? Are they easily comparable with competitive quotations?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>Yes charges are consistent and are easily compared</p>

Question	RMS(S)	Response
<p>Four: What factors are key influences on development of competition in the RMSs? In particular, if you are an existing/potential competitor</p> <p>(a) what is the potential for you to enter new RMSs, or grow your share of an RMS you already operate in?</p> <p>(b) are there are any types of connection in any of the RMSs, or geographic locations in ENWL's DSA, that by their nature, are not attractive to competition? Please explain your response.</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>a] Potential for more diversionary works associated with new developments to become competitive [in part or all]</p> <p>a] Potential for re-inforcent work associated with new developments to become competitive [in part or all]</p> <p>b] One off new supplies are not attractive because ENWL can take advantage of issuing a section 74 opening notice whereas an ICP has to issue a section 50 notice –THIS NEEDS ADDRESSING</p>

Chapter Four

Question	RMS(S)	Response
<p>One: Do you agree with the methods used by ENWL to analyse the level of competition in each of the RMSs covered by its application? In particular, do you consider that ENWL gives a clear indication of the current level of competitive activity?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>Unmetered seem to vastly understate the number of competitive connections – I think the vast majority are now competitive</p> <p>With respect to other two categories it would seem to indicate there is considerable scope for more competitive activity – no reason to dispute their figures</p>
<p>Two: Do you consider that competitive activity is at a level that in itself indicates that effective competition exists?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>Subject to comments in section 1 there would seem to be effective competition which can only increase</p>

Chapter Seven

Question	RMS(S)	Response
<p>One: Do you consider customers have an effective choice of connections provider? In particular, do you feel that levels of choice, value and service will be protected and will improve if the restriction on ENWL's ability to earn a margin is removed?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>There are sufficient ICP's operation in the ENWL area to give developers an effective choice of provider</p>

Question	RMS(S)	Response
<p>Two: Do you consider that there is scope for competitors to grow their market share (for example, if ENWL put up its prices or if its quality dropped), or are there factors constraining this?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>Market share can only go up as builders realise the opportunities to go elsewhere than ENWL</p>
<p>Three: Do you consider that there is scope/appetite for new participants to enter the market? Do you consider that new entrants would be able to provide similar or better services than existing participants or are there factors constraining this?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>I am sure there are a growing number of new participants in the connections area of work – just look at the number of new NERS registrations</p> <p>Only restriction is the ability of any new entrant to operate to the specifications and safety requirements required</p>
<p>Four: Given your overall view of ENWL, do you consider that we can have confidence in them to operate appropriately in the event that price regulation is lifted?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>I have every confidence that ENWL will operate appropriately if price regulation is lifted. You will hear from us very quickly if that is not the case</p>
<p>Five: Do you consider that there are factors not addressed in this consultation that should be taken into consideration in determining whether price regulation should be lifted?</p>	<p>Metered Demand LV <input type="checkbox"/></p> <p>DG LV <input type="checkbox"/></p> <p>Unmetered (Other) <input type="checkbox"/></p>	<p>All RMS's</p> <p>If price regulation is lifted and ENW raise its prices for non contestable work it will affect all ICP's by the same amount. Only if they do not apply the non contestable increases to their own quotations will it affect the overall situation. I trust OFGEM will not allow this to happen.</p> <p>Developers will of course not be happy if prices increase as a result of the lifting of the price regulation</p>

